



BILLING CODE (3410-XY-U)

DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

Notice of Solicitation of Applications for the Biorefinery,
Renewable Chemical, and Biobased Product Manufacturing
Assistance Program

AGENCY: Rural Business-Cooperative Service, USDA.

ACTION: Notice.

SUMMARY: This Notice announces the solicitation of applications for funds available under the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (the Program), formerly the Biorefinery Assistance Program, to provide guaranteed loans to fund the development, construction, and Retrofitting of Commercial Scale biorefineries using Eligible Technology and of Biobased Product Manufacturing facilities that use Technologically New Commercial Scale processing and

manufacturing equipment to convert Renewable Chemicals and other biobased outputs of biorefineries into end-user products, on a Commercial Scale.

DATES: With this Notice, the Agency is announcing two separate application cycles, which are established in accordance with 7 CFR 4279.260(b), with application deadlines of October 1, 2015, and April 1, 2016.

The first application cycle begins with publication of this Notice and extends no later than 4:30 p.m. Eastern Daylight Time, October 1, 2015. The second application cycle begins at the close of the first application cycle and extends no later than 4:30 p.m. Eastern Daylight Time, April 1, 2016. Applications received after the close of the second application cycle will be considered in the subsequent application cycle. All applications received prior to October 1, 2015, will be evaluated under 7 CFR part 4279, subpart B, published in the Federal Register on June 24, 2015.

ADDRESSES: Applications and forms may be obtained from:

- USDA, Rural Business-Cooperative Service, Energy Division, Attention: Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program, 1400

Independence Avenue, SW, STOP 3225, Washington, DC 20250-3225.

- Agency Web site:

<http://forms.sc.egov.usda.gov/eForms>. Follow instructions for obtaining the application and forms. Application materials can also be obtained from the Agency's Web site. <http://www.rd.usda.gov/programs-services/biorefinery-assistance-program>.

FOR FURTHER INFORMATION CONTACT: Todd Hubbell, Rural Business-Cooperative Service, Energy Division, Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program, USDA, 1400 Independence Avenue, SW, Mail Stop 3225, Washington, DC 20250-3225. Telephone: 202-690-2516. Email: Todd.Hubbell@wdc.usda.gov.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995, the information collection requirements associated with the Program, as covered in this Notice, have been submitted to the Office of Management Budget (OMB) under OMB Control Number 0570-0065, for OMB approval.

Overview

Federal Agency Name: Rural Business-Cooperative Service (an Agency of USDA in the Rural Development mission area).

Solicitation Opportunity Title: Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program.

Announcement Type: Notice of Solicitation of Applications.

Catalog of Federal Domestic Assistance (CFDA) Number:
The CFDA number for this Notice is 10.865.

Dates: To receive Program funds for the first application cycle, applications must be received in the USDA Rural Business-Cooperative Service, Energy Division no later than 4:30 pm Eastern Daylight Time on October 1, 2015, to compete for program funds. To receive Program funds for the second application cycle, applications must be received in the USDA Rural Business-Cooperative Service, Energy Division no later than 4:30 pm Eastern Daylight Time on April 1, 2016. Any application received after 4:30 pm Eastern Daylight Time on April 1, 2016, will be considered for the subsequent application cycle for the Program.

Availability of Notice and Rule: This Notice and the interim rule for the Program are available on the USDA

Rural Development Web site at

<http://www.rd.usda.gov/programs-services/biorefinery-assistance-program> and at <http://www.rd.usda.gov/newsroom>.

I. Funding Opportunity Description

A. Purpose of the Program. The purpose of the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Program is to assist in the development of new and emerging technologies for the development of Advanced Biofuels, Renewable Chemicals, and Biobased Product Manufacturing. This is achieved through guarantees for loans made to fund the development, construction, and Retrofitting of Commercial Scale biorefineries using Eligible Technology and of Biobased Product Manufacturing facilities that use Technologically New Commercial Scale processing and manufacturing equipment and required facilities to convert Renewable Chemicals and other biobased outputs of biorefineries into end-user products on a Commercial Scale.

B. Statutory Authority. This Program is authorized under 7 U.S.C. 8103. Regulations are contained in 7 CFR part 4279, subpart C and in 7 CFR part 4287, subpart D.

C. Definition of Terms. The definitions applicable to this Notice are published at 7 CFR 4279.202 and 7 CFR

4287.302.

D. Application awards. The Agency will review, evaluate, score, and award applications received in response to this Notice based on the provisions found in 7 CFR part 4279, subpart C and as indicated in this Notice.

II. Award Information

A. Available funds. This Notice is a solicitation for applications that will be funded using budget authority provided by the Agricultural Act of 2014 (2014 Farm Bill) and available under current law. Of the funds available, the 2014 Farm Bill provided for up to 15 percent of the mandatory funds for fiscal years 2014 and 2015 to promote Biobased Product Manufacturing.

B. Type of Award. Guaranteed loan.

D. Guarantee Loan Funding. The provisions of 7 CFR 4279.232 apply to this Notice. The Borrower needs to provide the remaining funds from other non-Federal sources to complete the Project.

E. Guarantee and Annual Renewal Fees. The guarantee and Annual Renewal Fees specified in 7 CFR 4279.231 are applicable to this Notice.

F. Anticipated Award Date. The award date will vary based on timing of completion of each Project's individual

application process.

III. Eligibility Information

A. Eligible Lenders. To be eligible for this Program, Lenders must meet the eligibility requirements in 7 CFR 4279.208.

B. Eligible Borrowers. To be eligible for this Program, Borrowers must meet the eligibility requirements in 7 CFR 4279.209.

C. Eligible Projects. To be eligible for this Program, Projects must meet the eligibility requirements in 7 CFR 4279.210.

D. Application Completeness. Incomplete Phase 1 applications will be rejected and the Project will be given no further consideration. Lenders will be informed of the elements that made the application incomplete. If the Lender makes the required edits and resubmits the application to the USDA's Rural Business-Cooperative Service, Energy Division by 4:30 pm Eastern Daylight Time, on the closing date, the Agency will reconsider the application.

IV. Application Submission Information

A. Letter of Intent. For each guarantee request, the Lender or the Borrower must submit to the Agency a non-binding letter of intent to apply for a loan guarantee not less than 30 calendar days prior to the application deadline. The letter must conform to 7 CFR 4279.260. The purpose of the letter of intent is to notify the Agency approximately how many applications will need to be reviewed, so that Agency resources can be organized to adequately and expeditiously review all applications. The Agency reserves the right to request additional information from potential applicants. Applications that do not submit a letter of intent within 30 days of the application deadline will not be accepted by the Agency in that particular application cycle.

B. Applications. For each guarantee request, the Lender must submit to the Agency an application in conformance with 7 CFR 4279.261. Phase 1 applications will provide information to determine Lender, Borrower, and Project eligibility; preliminary economic and technical feasibility; and the priority score of the application. Based on the priority score ranking, the Agency will invite applicants whose Phase 1 applications receive higher priority scores to submit Phase 2 applications. Phase 2 application materials will be submitted as the Project

planning and engineering is finalized and will include information such as: an environmental report, technical report, financial model, and the Lender's credit evaluation. The information required in both phases of the application process is detailed in the Agency's Application Guide.

C. Content and Form of Submission. All applicants must submit one paper copy of the application materials and an electronic copy containing the same information that is included in the paper copy. Detailed instructions regarding application submission are explained in the Application Guide that the Agency has developed. The Application Guide is available online at <http://www.rd.usda.gov/programs-services/biorefinery-assistance-program> or by contacting Todd Hubbell, Telephone: 202-690-2516. Email: Todd.Hubbell@wdc.usda.gov.

D. Application Submittal. Application materials must be submitted to USDA Rural Business-Cooperative Service, Energy Division, Attention: Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program, 1400 Independence Avenue, SW, STOP 3225, Washington, DC 20250-3225.

V. Biobased Product Manufacturing

This Notice also announces the solicitation of applications for funds available under the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program to specifically fund Biobased Product Manufacturing. The 2014 Farm Bill added Biobased Product Manufacturing to the Program and provided for up to 15 percent of the mandatory funds for fiscal years 2014 and 2015 to be used to support facilities producing Biobased Products for end use. The 2014 Farm Bill provides the definition of "Biobased Product Manufacturing," which the Agency has incorporated into the subsequent interim rule (see 7 CFR 4279.202). This definition requires that the Biobased Product Manufacturing facility use Renewable Chemicals and/or other biobased outputs of biorefineries as inputs and also requires that the Borrower use Technologically New Commercial Scale processing and manufacturing equipment and required facilities. The facility must produce end-user products.

A. Biobased Product Manufacturing Eligibility Information. The eligibility requirements for prospective Lenders and Borrowers are the same as those listed in Sections III.A and III.B of this Notice. For Biobased

Product Manufacturing Projects, the Eligible Project requirement is modified to reflect that eligible Projects must use Technologically New Commercial Scale processing and manufacturing equipment and must convert Renewable Chemicals and other biobased outputs of biorefineries into end-user products on a Commercial Scale.

B. Biobased Product Manufacturing Application Processing Procedures. The application processing procedures for Biobased Product Manufacturing Projects as the same as identified in Section III.D and Section IV in this Notice.

C. Biobased Product Manufacturing Scoring. In lieu of the criteria listed in 7 CFR 4279.266, Biobased Product Manufacturing Projects will be scored using the criteria listed below:

(a) Whether the Borrower has established a market for the manufactured Biobased Product, as applicable. A maximum of 16 points can be awarded. Points to be awarded will be determined as follows:

(1) Degree of commitment of contracted sales agreements. A maximum of 6 points will be awarded.

(i) If the Borrower has signed contracts for purchase for greater than 50 percent of the dollar value of

manufactured Biobased Product, 6 points will be awarded.

(ii) If the Borrower has signed letters of intent to enter into contracted sales agreements, or comparable documentation, for the purchase for greater than 50 percent of the dollar value of the manufactured Biobased Product, or combination of signed contracts or agreements and letters of intent or comparable documentation, 4 points will be awarded.

(iii) If the Borrower has signed letters of interest to enter into contracted sales agreements, or comparable documentation, for the purchase for greater than 50 percent of the dollar value of the manufactured Biobased Product, or combination of signed contracts, letters of intent or comparable documentation, 2 points will be awarded.

(2) Duration of contracted sales agreements. A maximum of 6 points will be awarded.

(i) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of manufactured Biobased Product for the period not less than the loan term, 6 points will be awarded.

(ii) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of

the manufactured Biobased Product for the period not less than 5 years but less than the term of the loan, 4 points will be awarded.

(iii) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of the manufactured Biobased Product for the period not less than 1 year but less than 5 years, 2 points will be awarded.

(3) Financial strength of the contracted sales agreement counterparty. A maximum of 4 points will be awarded.

(i) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of the manufactured Biobased Product with a counterparty with a corporate credit rating not less than AA, Aa2, or equivalent, 4 points will be awarded.

(ii) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of the manufactured Biobased Product with a counterparty with a corporate credit rating less than AA, Aa2, or equivalent, but not less than A-, or A3, or equivalent, 2 points will

be awarded.

(iii) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of the manufactured Biobased Product with a counterparty with a corporate credit rating less than A-, or A3, or equivalent, but not less than BBB-, or Baa3, or equivalent, 1 point will be awarded.

(b) Whether the area in which the Borrower proposes to place the Project, defined as the area that will supply the Renewable Chemicals and other biobased outputs of biorefineries to the proposed Project, has any other similar facilities. A maximum of 5 points can be awarded. Points to be awarded will be determined as follows:

(1) If the area that will supply the Renewable Chemicals and other biobased outputs of biorefineries to the proposed Project does not have any other similar facilities, 5 points will be awarded.

(2) If there are other similar facilities located within the area that will supply the Renewable Chemicals and other biobased outputs of biorefineries to the proposed Project, 0 points will be awarded.

(c) Whether the Borrower is proposing to use Renewable Chemicals and other biobased outputs of

biorefineries not previously used in the Biobased Product Manufacturing. A maximum of 10 points can be awarded.

Points to be awarded will be determined as follows:

(1) If the Borrower proposes to use Renewable Chemicals and other biobased outputs of biorefineries previously used in the manufacture of a Biobased Product in a commercial facility, 0 points will be awarded.

(2) If the Borrower proposes to use Renewable Chemicals and other biobased outputs of biorefineries not previously used in the manufacture of a Biobased Product in a commercial facility, 10 points will be awarded.

(d) Whether the Borrower is proposing to work with producer associations or cooperatives. A maximum of 5 points can be awarded. Points to be awarded will be determined as follows:

(1) If at least 50 percent of the dollar value of Renewable Chemicals and other biobased outputs of biorefineries to be used by the proposed Project will be supplied by producer associations and cooperatives or biorefineries supplied by producer associations and cooperatives, 5 points will be awarded.

(2) If at least 30 percent of the dollar value of Renewable Chemicals and other biobased outputs of biorefineries to be used by the proposed Project will be

supplied by producer associations and cooperatives or biorefineries supplied by producer associations and cooperatives, 3 points will be awarded.

(e) The level of financial participation by the Borrower, including support from non-Federal Government sources and private sources. A maximum of 20 points can be awarded. Points to be awarded will be determined as follows:

(1) If the sum of the loan amount requested and other direct Federal funding is less than or equal to 50 percent of total Eligible Project Costs, 20 points will be awarded.

(2) If the sum of the loan amount requested and other direct Federal funding is greater than 50 percent but less than or equal to 55 percent of total Eligible Project Costs, 16 points will be awarded.

(3) If the sum of the loan amount requested and other direct Federal funding is greater than 55 percent but less than or equal to 60 percent of total Eligible Project Costs, 12 points will be awarded.

(4) If the sum of the loan amount and other direct Federal funding is greater than 60 percent but less than or equal to 65 percent of total Eligible Project Costs, 8 points will be awarded.

(5) If the sum of the loan amount and other direct

Federal funding is greater than 65 percent but less than or equal to 70 percent of total Eligible Project Costs, 4 points will be awarded.

(f) Whether the Borrower has established that the adoption of the manufacturing process proposed in the application will have a positive effect on three impact areas: resource conservation (e.g., water, soil, forest), public health (e.g., potable water, air quality), and the environment (e.g., compliance with an applicable renewable fuel standard, greenhouse gases, emissions, particulate matter). A maximum of 10 points can be awarded. Based on what the Borrower has provided in either the application or the Feasibility Study, points to be awarded will be determined as follows:

(1) If process adoption will have a positive impact on any one of the three impact areas (resource conservation, public health, or the environment), 3 points will be awarded.

(2) If process adoption will have a positive impact on two of the three impact areas, 6 points will be awarded.

(3) If process adoption will have a positive impact on all three impact areas, 10 points will be awarded.

(g) Whether the Borrower can establish that, if adopted, the technology proposed in the application will

not have any economically significant negative impacts on existing manufacturing plants or other facilities that use Renewable Chemicals and other biobased outputs of biorefineries. A maximum of 5 points can be awarded.

Points to be awarded will be determined as follows:

(1) If the Borrower has failed to establish, through an independent third-party Feasibility Study, that the production technology proposed in the application, if adopted, will not have any economically significant negative impacts on existing manufacturing plants or other facilities that use similar Renewable Chemicals and other biobased outputs of biorefineries, 0 points will be awarded.

(2) If the Borrower has established, through an independent third-party Feasibility Study, that the production technology proposed in the application, if adopted, will not have any economically significant negative impacts on existing manufacturing plants or other facilities that use Renewable Chemicals and other biobased outputs of biorefineries, 5 points will be awarded.

(h) The potential for Rural economic development. A maximum of 10 points will be awarded. Points to be awarded will be determined as follows:

(1) If the Project is located in a Rural Area, 5

points will be awarded.

(2) If the Project creates jobs through direct employment with an average wage that exceeds the county median household wages where the Project will be located, 5 points will be awarded.

(i) The level of local ownership of the facility proposed in the application. For the purposes of this Notice, a Local Owner is defined as "An individual who owns any portion of an eligible Advanced Biofuel Biorefinery and whose primary residence is located within 50 miles of the Biorefinery." A maximum of 5 points can be awarded.

Points to be awarded will be determined as follows:

(1) If Local Owners have an ownership interest in the facility of more than 20 percent but less than or equal to 50 percent, 3 points will be awarded.

(2) If Local Owners have an ownership interest in the facility of more than 50 percent, 5 points will be awarded.

(j) Whether the Project can be replicated. A maximum of 10 points can be awarded. Points to be awarded will be determined as follows:

(1) If the Project can be commercially replicated regionally (e.g., Northeast, Southwest, etc.), 5 points will be awarded.

(2) If the Project can be commercially replicated

nationally, 10 points will be awarded.

(k) If the Project uses a particular technology, system, or process that is not currently operating at Commercial Scale as of October 1 of the fiscal year for which the funding is available (October 1, 2014 for the first application cycle which deadline is (INSERT 90 DAYS FROM DATE OF NOTICE), and as of October 1, 2015 for the applications submitted for cycles ending October 1, 2015 and April 1, 2016, 5 points will be awarded.

(l) The Administrator can award up to a maximum of 10 bonus points:

(1) To ensure, to the extent practical, there is diversity in the types of Projects approved for loan guarantees to ensure a wide a range as possible technologies, products, and approaches are assisted in the program portfolio; and

(2) To applications that promote partnerships and other activities that assist in the development of new and emerging technologies for the development of Renewable Chemicals and other biobased outputs of biorefineries, so as to, as applicable, promote resource conservation, public health, and the environment; diversify markets for agricultural and forestry products and agriculture waste material; and create jobs and enhance the economic

development of the Rural economy. No additional information regarding partnerships is detailed in this Notice.

VI. General Program Information

A. Loan Origination. Lenders seeking a loan guarantee under this Notice must comply with the all of the provisions found in 7 CFR 4279, subpart C.

B. Loan Processing. The Agency will process loans guaranteed under this Notice in accordance with the provisions specified in 7 CFR 4279.260 through 4279.290.

C. Evaluation of Applications and Awards. Awards under this Notice will be made on a competitive basis; submission of an application neither reserves funding nor ensures funding. The Agency will evaluate each application received in the USDA Rural Business-Cooperative Service, Energy Division, select Phase 1 applications in accordance with 7 CFR 4279.267 to invite submittal of Phase 2 applications, and will make awards using the provisions specified in 7 CFR 4279.278.

D. Guaranteed Loan Servicing. The Agency will service loans guaranteed under this Notice in accordance with the provisions specified in 7 CFR 4287.301 through 4287.399.

VII. Administration Information

A. Notifications. The Agency will notify, in writing, Lenders whose Phase 1 applications have scored highest and will invite them to submit Phase 2 applications. If the Agency determines it is unable to guarantee any particular loan, the Lender will be informed in writing. Such notification will include the reasons for denial of the guarantee.

B. Administrative and National Policy Requirements.

1. Review or Appeal Rights. A person may seek a review of an Agency decision or appeal to the National Appeals Division in accordance with 7 CFR 4279.204.

2. Exception Authority. The provisions specified in 7 CFR 4279.203 and 7 CFR 4287.303 apply to this Notice.

C. Environmental Review. The Agency has reviewed the types of applicant proposals that may qualify for assistance under this section and has determined, in accordance with 7 CFR part 1940, subpart G, that all proposals shall be reviewed as a Class II Environmental Assessment. Furthermore, if after Agency review of proposals the Agency has determined that the proposal could result in significant environmental impacts on the quality of the human environment, an Environmental Impact Statement

may be required pursuant to 7 CFR 1940.313. Environmental Assessments for Projects that score high enough will be submitted during the Phase 2 application process and must be conducted in accordance with 7 CFR part 1940, subpart G. Guidelines for preparing the Environmental Assessment are available by reviewing 7 CFR part 1940, subpart G and by reviewing the Application Guide, available on the Agency's web site. <http://www.rd.usda.gov/programs-services/biorefinery-assistance-program>. Applicants are reminded that this program is governed by 7 CFR part 1940, subpart G or successor regulation.

VIII. Agency Contacts

For general questions about this Notice, please contact Todd Hubbell, Rural Business-Cooperative Service, Energy Division, Biorefinery Assistance Program, U.S. Department of Agriculture, 1400 Independence Avenue, SW, Mail Stop 3225, Washington DC 20250-3225. Telephone: 202-690-2516. Email: Todd.Hubbell@wdc.usda.gov.

NONDISCRIMINATION STATEMENT:

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color,

national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#) (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, DC 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Individuals who are deaf, hard of hearing or have speech disabilities and you wish to file either an EEO or program complaint please contact USDA through the Federal

Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

Dated: June 29, 2015.

Samuel Ridders,
Acting Administrator,
Rural Business-Cooperative Service.

[FR Doc. 2015-16480 Filed: 7/2/2015 08:45 am; Publication Date: 7/6/2015]